(a) whether Government have formulated any pain to set up the group of the Small Scale Industries in the backward areas of the Eastern Uttar Pradesh and Bihar;

(b) if so, the details thereof; and

(c) the facilities that Government are giving and are going to give for setting up Small Scale Industries in these areas?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) It is individual entrepreneurs who set up small scale industries. The promotion and development of small scale industries (SSI) is primarily the responsibility of the respective State Governments, including those of Uttar Pradesh (UP) and Bihar. The Central Government, however, support and supplements the efforts of State Governments through implementation of various schemes relating to fiscal and credit support, infrastructural development, technology upgradation, marketing, entrepreneurial development, etc. These are implemented across the country, including UP and Bihar.

(c) Under the Integrated Infrastructural Development (IID) Scheme, 8 IID Centres have been sanctioned in UP, including one each at Bhadohi and Chandauli in eastern Uttar Pradesh. Under this scheme, IID Centres provide the basic infrastucture like developed land, power and water supply, roads and other common service facilities, etc, to small scale industries. This scheme is demand-driven and no proposal for setting up any IID Centre has been received from the State of Bihar.

Import of items included in reserved list

†1249. SHRI PYARELAL KHANDELWAL: Will the Minsiter of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government have allowed to impon some items in the reserved list of Small Scale Industries;

(b) if so, the period for which these items are being kept in the reserved list;

(c) whether Government's policy is to allow the big foreign traders in regard to the items of reserved list of Small Scale Indsutries but the big Indian Industries in the same sector are kept away;

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†Original notice of the Question was received in Hindi.

(d) the number of sectors/industries excluded from the reserved list of Small Scale Industries during the last five years, and the proportion of each item excluded from the list;

(e) whether any detailed policy review has been done for making such dereservation; and

(f) if so, the details thereof?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Except some products like niacinamide, nicotinic acid, copper oxy-chloride, safety matches and fire works, import of products reserved for exclusive manufacture by Small Scale Industry (SSI) sector is freely allowed since the removal of quantitative restrictions.

(b) There is no fixed time for keeping these products reserved for exclusive manufacture by the SSI.

(c) No, Sir. A non-SSI unit (both domestic/foreign) having equity in any industrial undertaking is permitted to invest upto 24% in the equity of small scale industry. Further, a non-SSI unit, intending to manufacture any product reserved exclusively for manufacture in the SSI sector, can do so by undertaking export obligation of at least fifty per cent of its production. A non-SSI unit/trader can also undertake trade of the items manufactured by SSI under its brand name.

(d) At present, 506 products are reserved for exclusive manufacture in the small scale sector. The number of products excluded from this list in the last five years is as under:

Sl. No.	Year	No. of items de-reserved
1.	2000-2001	1 items
2.	2001-2002	14 including two sub-items
3.	2002-2003	51 including one sub-item
4.	2003-2004	75 including one sub-item
5.	2004-2005	193 including twenty five sub-items

(e) and (f) The latest report on the policy of reservation was submitted by the Study Group on Development of Small Scale Enterprises constituted by the Planning Commission under the chairmanship of Dr. S.P. Gupta. In its Report submitted in March 2001,

the Group recommended *inter alia* that in spite of the present scenario of economic liberalization and WTO agreements, the policy of reservation should continue and that the position could be reviewed periodically to take stock of the changing economic scenario. Accordingly, Government has been reviewing the list of items reserved for exclusive manufacture for SSI from time to time after consultation with all the stake holders.

Competition of SSI with foreign countries

†1250. PROF. M.M. AGARWAL: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is a fact that the Small Scale Industries of our country are not able to compete with the Small Scale Industries of other countries like China, Japan, etc.;

(b) if so, the reasons therefor; and

(c) the effective steps being taken by Government in this regard?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) While comparative figures of exports by Indian small scale industries to individual countries, including China and Japan, and those of exports by small scale industries in those countries to India are not available, the export data of India show that the exports of Indian small scale industries have, on the whole, grown by about 179 per cent during 1998-99 to 2002-03.

(c) The Government has taken several measures to help small enterprises, including small scale industries, to become globally competitive. These include schemes/programmes for technology upgradation, development of clusters of such industries, making bank credit of upto Rs. 5 lakh available without collateral, 75 per cent credit guarantee for loans upto to Rs. 25 lakh, creating awareness among these industries regarding export-related issues and sensitizing them to the emerging challenges of trade liberalization, reimbursement of the cost of obtaining ISO 9000/14001 certification upto Rs. 75,000/- reimbursement of registration fee upto Rs. 15,000/- for adopting bar coding of products, etc. The Government has also in place appropriate trade-defence mechanisms, such as import licensing, safeguards against surge in imports and anti-dumping measures to provide protection to domestic industries, including small scale industries.

†Original notice of the question was received in Hindi.